

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CIAE-00 COME-00 EB-07  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 PA-02  
PRS-01 NSC-05 SS-15 STR-04 CEA-01 L-03 H-02 /115 W  
-----114095 281821Z /45

R 281716Z JUN 77  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 5632  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION NATO  
USNMR SHAPE  
USMISSION GENEVA  
AMCONSUL BELFAST  
AMCONSUL EDINBURGH

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USEEC ALSO FOR EMBASSY  
USOECN ALSO FOR EMBASSY

PASS LABOR, TREASURY, FRB

E.O. 11652: N/A  
TAGS: ELAB, UK, PINT  
SUBJECT: THE GRUNWICK AFFAIR

BEGIN SUMMARY - AN ELEVEN-MONTH-LONG STRIKE INVOLVING  
A SMALL MAIL-ORDER PHOTO-PROCESSING COMPANY EMPLOYING  
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A SMALL NUMBER OF MAINLY IMMIGRANT WORKERS, WITH A  
NEGLECTABLE IMPACT ON THE ECONOMY, HAS CAPTURED THE FRONT  
PAGES, ELICITED "CAMEO" PICKET LINE PERFORMANCES FROM  
CABINET MINISTERS, TRADE UNIONISTS AND OTHERS, ENGAGED  
THE ATTENTION OF THE PRIME MINISTER AND HIS CABINET,  
AS WELL AS EXTREMISTS OF THE LEFT AND RIGHT, AND RE-  
MAINS STILL UNRESOLVED. WHAT IS THE FUSS ALL ABOUT?

WHILE AT BOTTOM, IT IS A BATTLE -- SOMETIMES VIOLENT -- BETWEEN THE RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY, AS THE UNIONS SEE IT, AND THE RIGHT NOT TO JOIN THE UNION, AS THE EMPLOYER SEES IT, THE BATTLEGROUND IS AMBIGUOUS TERRAIN. IT IS THE SORT OF PROBLEM, HOWEVER, WHICH THE GOVERNMENT, SO CONCERNED ABOUT ITS SURVIVAL, WOULD BE HAPPY TO POSTPONE FOR ANOTHER DAY. END SUMMARY.

1. THE STRIKE STARTED LAST SUMMER AT THE GRUNWICK PROCESSING COMPANY IN NORTH LONDON, A FIRM OWNED BY A MR. GEORGE WARD, WHO HAS BEEN GENERALLY CHARACTERIZED BY THE PRESS AS AN ANTI-UNION ENTREPRENEUR WHOSE LARGELY ASIAN AND EAST AFRICAN IMMIGRANT WORK FORCE WAS PAID LOW WAGES AND ENJOYED LESS THAN OPTIMUM WORKING CONDITIONS. A RELATIVELY MINOR GRIEVANCE ESCALATED INTO A WALKOUT BY A QUARTER OF THE FIRM'S WORK FORCE (ABOUT 400) WHICH SUBSEQUENTLY JOINED ONE OF THE TUC'S MOST MODERATE AFFILIATES, THE ASSOCIATION OF PROFESSIONAL, EXECUTIVE, CLERICAL AND COMPUTER STAFF (APEX).

2. ATTEMPTS BY APEX TO SECURE RECOGNITION AND NEGOTIATING RIGHTS WERE REBUFFED SEVERAL TIMES BY THE COMPANY, SO APEX ASKED THE ADVISORY CONCILIATION AND ARBITRATION SERVICE (ACAS) TO MEDIATE. THE COMPANY REFUSED TO COOPERATE, AND LAST SEPTEMBER DISMISSED THE UNCLASSIFIED

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WORKERS ON STRIKE. USING PROVISIONS OF CURRENT LABOR LAW, THE EMPLOYMENT PROTECTION ACT OF 1975, ACAS TRIED TO POLL THE FIRM'S WORKERS ABOUT WHETHER THEY WISHED TO JOIN A UNION, AND AFTER THE COMPANY REFUSED TO COOPERATE, POLLED THOSE EMPLOYEES IT COULD REACH -- ESSENTIALLY THE STRIKERS. ALMOST ALL OF THESE WORKERS OPTED FOR APEX, AND ACAS RECOMMENDED THAT THE COMPANY RECOGNIZE THE UNION. THIS IT ADAMANTLY REFUSED TO DO, AND WITH THE AID OF A RIGHT-WING ORGANIZATION, THE NATIONAL ASSOCIATION FOR FREEDOM (NAFF), THE COMPANY APPEALED TO THE HIGH COURT TO ANNUL THE ACAS RECOMMENDATION ON THE GROUNDS THAT IT WAS BEYOND ACAS AUTHORITY UNDER THE EMPLOYMENT PROTECTION ACT TO POLL THE STRIKERS SINCE THEY WERE NO LONGER WORKERS.

3. THE COMPANY'S OWNER, MR. WARD, ARGUES THAT HE AND THE WORK FORCE CONTINUING AT THE PLANT ARE HAVING A UNION THRUST UPON THEM AGAINST THEIR WILL. THE ACAS COUNTERS, IN EFFECT, WITH THE ARGUMENT THAT WARD'S INTRANSIGENCE HAS PREVENTED A COMPLETE POLL -- AND HAS ASKED THE CENTRAL ARBITRATION COMMITTEE TO SUPPORT ITS RECOMMENDATIONS, WHICH IT IS EMPOWERED TO DO UNDER THE

EMPLOYMENT PROTECTION ACT.

4. IN THE MEANWHILE, THE TUC CALLED ON UNIONS TO SUPPORT THE STRIKERS' BATTLE FOR RECOGNITION. THERE WAS A VERY CONSIDERABLE RESPONSE FROM MANY UNIONS. PICKETING

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USMISSION GENEVA  
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BECAME EXTENSIVE AND MODERATE CABINET MEMBERS LIKE SHIRLEY WILLIAMS AND FRED MULLEY, AND MINISTER OF SPORT DENIS HOWELL VISITED THE PICKET LINE AS THE STRIKE PROGRESSED' AS DID LEFT-WING PARLIAMENTARIANS LIKE JEFF ROOKER AND AUDREY WISE, WITH THE LATTER SUCCEEDING IN GETTING HERSELF ARRESTED. AS USUAL IN THESE CASES, THE EXTREME LEFT WITHIN THE TRADE UNION MOVEMENT BECAME

HEAVILY INVOLVED, AND THE COMMUNIST AND TROTSKYITES  
SENT SOME OF THEIR PICKET LINE VETERANS INTO THE FRAY.  
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ARTHUR SCARGILL, MARXIST MINERS. LEADER. BROUGHT A  
CONTINGENT OF HIS MEN FROM YORKSHIRE AND PROMPTLY --  
AND PERHAPS QUITE HAPPILY -- GOT HIMSELF ARRESTED.  
PICKET LINE VIOLENCE INTENSIFIED, AND A POLICE CONSTABLE  
WAS SERIOUSLY INJURED. BY THIS TIME, BOTH ROY GRAN-  
THAM, THE MODERATE GENERAL SECRETARY OF THE APEX, AND  
LEN MURRAY, TUC GENERAL SECRETARY, BECAME ALARMED THAT  
THE UNDERLYING ISSUES WERE BECOMING OBSCURED BY THE  
VIOLENCE AND THE INVOLVEMENT OF THE EXTREME LEFT, SO  
THEY ATTEMPTED TO DEFUSE THE TENSION, MAINLY BY CALLING  
FOR AN END TO MASS PICKETING (THIS CALL IS APPARENTLY  
BEING HEEDDED, AS CURRENT REPORTS INDICATE A DECREASE  
IN THE NUMBER OF PICKETS).

5. THE DISPUTE HAS HIGHLIGHTED THE FACT THAT UNION  
RECOGNITION PROCEDURES, THE QUESTION OF WHETHER THE  
PARTIES ARE BARGAINING IN GOOD FAITH, AND STRIKE BE-  
HAVIOR ARE, ON THE WHOLE, MUCH MORE IMPRECISE THAN THEY  
ARE IN THE UNITED STATES, WHERE THE NATIONAL LABOR RE-  
LATIONS BOARD (NLRB) FOLLOWS A FAIRLY CLEAR SERIES OF  
STEPS WHICH MUST BE TAKEN (ALTHOUGH THE AMALGAMATED  
CLOTHING AND TEXTILE WORKERS, AFL-CIO, ARGUES THAT IN  
THE CASE OF THE J.P. STEVENS COMPANY' THE PROCEDURES OF  
THE NLRB DO NOT SUFFICE IF, AS THE UNION INSISTS, THE  
COMPANY DOES NOT WISH TO BARGAIN WITH THE UNION AFTER IT  
IS RECOGNIZED). IN THE BRITISH SYSTEM, HOWEVER, BOTH  
SIDES RECOGNIZE THAT THERE ARE NO PENAL SANCTIONS IF THE  
COMPANY ULTIMATELY REFUSES TO RECOGNIZE THE UNION.  
SECONDLY' THE APPLICATION OF LAW ABOUT THE NUMBER OF  
PICKETS AND WHAT THE PICKETS ARE ENTITLED TO DO TO PER-  
SUADE OTHER WORKERS HAS BEEN FREQUENTLY CONTESTED IN THE  
COURTS. THE CAUSES FOR THIS AMBIGUOUS SITUATION ARE  
COMPLEX BUT IT IS AT LEAST IN PART DUE TO THE FACT THAT  
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UNIONS HAVE IN THE PAST TENDED TO SHY AWAY FROM LEGAL  
SANCTIONS IN LABOR LAW BECAUSE OF THE FEAR THAT THEY  
WOULD BE USED AGAINST THEM. (THE BITTER OPPOSITION TO  
THE HEATH GOVERNMENT'S INDUSTRIAL RELATIONS ACT OF 1971  
AND, IN FACT, TO EARLIER EFFORTS BY HAROLD WILSON TO  
REGULATE LABOR-MANAGEMENT RELATIONS, WAS A REFLECTION OF  
THIS FEAR.)

6. THE LEGAL PROBLEMS ARE OF COURSE VERY IMPORTANT AND UNLESS THERE IS GREATER CLARITY IN THE RULES AND CONDUCT OF LABOR-MANAGEMENT RELATIONS, INDUSTRIAL RELATIONS WILL CONTINUE TO SUFFER IN BRITAIN AND, IN THE PROCESS, HELP TO RETARD INDUSTRIAL RECOVERY AND CERTAINLY LONG-TERM INDUSTRIAL GROWTH. BUT THIS IS HARDLY THE TIME FOR THE GOVERNMENT, THE UNIONS OR INDUSTRY TO DEAL WITH THE PROBLEM. IT IS ESSENTIALLY A BATTLE, HOWEVER IMPORTANT, ON THE FLANK OF THE REAL BATTLEFIELD IN BRITAIN -- THE FIGHT TO RIGHT THE ECONOMY. IT HAS ENGAGED THE ATTENTION OF THE PRIME MINISTER AND THE CABINET, AND THE SECRETARY OF STATE FOR EMPLOYMENT ALBERT BOOTH HAS SPENT MOST OF HIS TIME IN RECENT WEEKS TRYING TO BRING THE DISPUTE TO MEDIATION, BUT TO DATE WITHOUT SUCCESS. IN THE MEANWHILE THE LEFT WING AND THE RIGHT WING, AND UNDERSTANDABLY THE PRESS, HAVE KEPT THE ISSUE ON THE FRONT PAGES.

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**TAGS:** ELAB, PINT, UK, GRUNWICK PROCESSING CO, (WARD, GEORGE)  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009